

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Green Lake State Bank, Green Lake, Wisconsin** ("bank") prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **September 22, 1997**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S RATING: This institution is rated **Outstanding**.

The bank's average loan-to-deposit ratio of 88.13% significantly exceeds the average of its peer group and is consistent with or exceeds the ratios of its local competitors. The bank's record of lending within its assessment area exceeds the standards for satisfactory performance; 81.78% of the sampled loans made between June, 1996 and August, 1997 were originated within the assessment area. The bank's record of lending to borrowers of different incomes and to businesses of different sizes exceeds the standards for satisfactory performance; 48.43% of the bank's consumer loans for the most recent six months were originated to low- and moderate-income borrowers and all of the bank's commercial and agricultural loans were made to small businesses and small farms based upon their revenue size. There are no low-income or moderate-income block numbering areas (BNAs) in the bank's assessment area. There were no CRA-related complaints received since the previous examination.

DESCRIPTION OF INSTITUTION

Green Lake State Bank, with total assets of \$29 million as of June 30, 1997, is a subsidiary of The Baraboo Bancorporation, Inc., a multi-bank holding company located in Baraboo, Wisconsin. The bank is the only financial institution located in the City of Green Lake. The bank provides a variety of deposit and loan products and services through its sole office and a 24-hour automated teller machine (ATM). The bank's products and services are enhanced by participation in various government-sponsored consumer and commercial lending programs.

The bank's largest lending category is 1-4 family residential real estate, comprising 41.36% of the bank's loan portfolio, according to the June 30, 1997 Uniform Bank Performance Report (UBPR). The credit products offered by the bank are consistent with the credit needs in the assessment area. There are no apparent factors relating to the bank's financial condition, size or local economic conditions that would prevent the bank from meeting community credit needs.

The bank's local competition within its assessment area includes Farmers State Bank and Markesan State Bank in Markesan, Wisconsin, and The Farmers & Merchants Bank and First National Bank in Berlin, Wisconsin. The bank's primary competitors outside of its assessment area are all located in nearby Ripon, Wisconsin: two branches of M&I Central State Bank (Oshkosh), a branch of Citizens Bank, N.A. (Shawano), a branch of Firstar Bank, Wisconsin (Madison), a branch of CitizensFirst Credit Union (Oshkosh) and Ripon Community Credit Union.

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

Green Lake State Bank, in the City of Green Lake, is located approximately 75 miles northeast of Madison and 90 miles northwest of Milwaukee. The bank's assessment area encompasses the townships of Brooklyn, Green Lake, Princeton, Marquette, Mackford, Manchester, Kingston, St. Marie, and Seneca; all in Green Lake County, Wisconsin. The assessment area is comprised of four block numbering areas (BNAs).

The population of the bank's assessment area totaled 12,697, according to 1990 census data. The median family income for the assessment area is \$30,345, compared to a median family income of \$30,290 for the nonmetropolitan areas within the State of Wisconsin. Although all four of the BNAs are considered middle-income geographies, approximately 35.9% of the families within the assessment area are low- or moderate-income. There are a total of 6,757 housing units in the assessment area, of which 3,781 or 56.0% are owner-occupied units, 1,901 or 28.1% are vacant units and 1,075 or 15.9% are rental units. The high number of vacant units is attributed to the seasonal nature of Green Lake's tourist industry.

Community representatives provided additional demographic information to supplement 1990 census data. There is a low level of poverty and a higher than average level of upper-income families in the assessment area, not necessarily reflected in census data, due to the homes around

the lake that are occupied seasonally. The seasonal population appears to be increasing the retail prices in Green Lake. The overall population is aging and people are retiring to the area. All of the representatives spoke favorably of the banks in the community.

The local economy is based primarily upon seasonal tourism, with additional economic support from the fabric and farming industries. Generally, unemployment is low, and a significant number of employment opportunities are found outside the assessment area in Ripon, Oshkosh and Fond du Lac. According to the Wisconsin Department of Industry, Labor, and Human Relations, the unadjusted unemployment rate for Green Lake County was 3.7% for July, 1997. This compares favorably to the seasonally-adjusted rate of 3.8% for the State of Wisconsin and the seasonally-adjusted unemployment rate for the United States of 4.8%.

Major employers located within the assessment area include the following:

Name of Employer	Product/Service	Number of Employees
Heidel House	Resort hotel and conference center	200
Precision Metalsmiths, Inc.	Ferrous and non-ferrous castings	200
Green Lake County	County government	165
Fabriko, Inc.	Textile fabrication	150
Friday Canning Co.	Canned corn	141
PGI, Inc.	Industrial work and protective clothing	90
Handcraft Co., Inc.	Hosiery	90
Menasha Corp., Green Lake Plant	Corrugated containers	85
Del Monte Corp.	Canned green beans	75
Green Lake Schools	School district	55

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Management has developed adequate policies, procedures, and training programs supporting nondiscrimination in lending activities. The examination findings revealed that the institution is in compliance with the substantive provisions of anti-discrimination laws and regulations, including the Equal Credit Opportunity and the Fair Housing Acts.

LOAN-TO-DEPOSIT RATIO

The bank's average ratio of net loans and leases to deposits for the five most recent quarters equals 88.13%. This ratio exceeds that of the bank's national peer group (64.44%) and is consistent with or exceeds those of its local competitors. The following chart illustrates loan-to-deposit ratios for the bank and its local competitors:

Bank	Quarter Ending June, 1997	Bank Average (5 Quarters)
Green Lake State Bank, Green Lake, WI	94.46%	88.13%
Farmers State Bank, Markesan, WI	77.85%	75.77%
Markesan State Bank, Markesan, WI	76.81%	75.26%
Farmers and Merchants Bank, Berlin, WI	58.64%	57.89%
First National Bank of Berlin, Berlin, WI	96.01%	89.84%

The following table depicts the percentage of loans in the bank's portfolio that comprise net loans, as reported in the bank's June 30, 1997 Consolidated Report of Condition:

LOAN TYPE	OUTSTANDING (000)	PERCENT OF TOTAL
REAL ESTATE	\$17,085	71.99
Construction	\$403	1.70
Residential (1-4 family)	\$9,630	40.58
Commercial	\$6,458	27.21
Agricultural	\$197	0.83
Multi-family	\$397	1.67
CONSUMER	\$3,124	13.16
Open-end Credit	\$95	0.40
All Other	\$3,029	12.76
COMMERCIAL AND INDUSTRIAL	\$3,278	13.81
AGRICULTURAL	\$144	0.61
STATE AND POLITICAL	\$101	0.43
OBLIGATIONS		

Information from the Uniform Bank Performance Report (UBPR), dated June 30, 1997, indicates that total loans increased by \$2,521,000 or 11.89% since the previous examination. The majority of the increase, \$1,760,000, was noted in real estate-secured credit. The current portfolio composition is compared to the bank's peer group in the following chart:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS	71.60	45.64
Construction/Development	1.92	0.77
1 - 4 Family Residential	41.36	22.56
Other Real Estate	28.31	19.47
Farmland	0.72	9.56
Multi-family	1.32	0.12
Commercial	26.27	6.90
LOANS TO INDIVIDUALS	12.94	14.16
CREDIT CARD LOANS	0.43	0.05
COMMERCIAL & INDUSTRIAL LOANS	14.12	13.34
AGRICULTURAL LOANS		
MUNICIPAL LOANS	0.68	18.93
OTHER LOANS*	0.66	0.22
	0.00	0.13
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

The bank's loan-to-deposit ratio of 88.13% represents a strong level of lending since the previous examination, and is strong in comparison to the bank's local competitors and peer levels; thus, the bank's performance exceeds the standards for satisfactory performance.

LENDING IN ASSESSMENT AREA

Between July 1, 1996 and August 31, 1997, 768 of 939, or 81.78% of consumer loans were originated within its assessment area. The bank's record of lending in its assessment area represents a substantial majority of the bank's total lending. This performance exceeds the standards for satisfactory performance in this category.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The bank originated 77 or 48.43% of its consumer loans within its assessment area to low- and moderate-income borrowers during the six-month period from March 1, 1997 to August 31, 1997. All of the business and farm loans originated in the assessment area during the same time period were originated to small farms and small businesses, based upon the size of annual revenues.

The following chart details the bank's performance in lending to low- and moderate-income borrowers during the six-month period:

LOAN TYPE	LOW-INCOME	MODERATE-INCOME	MIDDLE-INCOME	UPPER-INCOME
Consumer Real Estate	4	9	15	25
Consumer Installment	21	19	12	8
Consumer Single Payment	11	13	11	11
Totals - Number/Percentages	36 / 22.64%	41 / 25.79%	38 / 23.90%	44 / 27.67%

The bank enhances its loan products by using various government-sponsored consumer and commercial/agricultural lending programs. The bank's record of involvement in such programs is detailed in the following table:

PROGRAM	OUTSTANDING		SINCE PREVIOUS EXAMINATION	
	NUMBER	\$ AMOUNT	NUMBER	\$ AMOUNT
SBA - Small Business Administration	3	555,317	2	498,000
WP&L - Wisconsin Power & Light, home improvement loan program for specific energy-saving projects.	5	2,963	1	1,550
DBE - Disadvantaged Business Enterprise Program under Wisconsin Department of Transportation in conjunction with the Milwaukee Urban League	6	83,780	17	293,000
WHEDA - Wisconsin Housing & Economic Development Authority programs - Credit Relief Outreach Program (CROP), Linked Deposit Loan Program (LDLP), Tourism Program and Major Rehabilitation Program.	8	475,280	6	391,513
ADVOCAP - Provides minimum down payment requirements, borrower education and long-term fixed rate, financing.	1	35,414	1	35,760
PECFA - Petroleum Environmental Cleanup Fund	0	0	2	60,000
TOTALS	23	1,117,342	29	1,279,823

The preceding table indicates that the bank participates in government sponsored loan programs at a level consistent with its size.

The bank's overall lending to small business and small farming operations, its record of lending utilizing conventional and government-sponsored lending programs and its significant level of

lending to low- and moderate-income borrowers exceeds the standards for satisfactory performance for this performance criteria.

GEOGRAPHIC DISTRIBUTION OF LOANS

There are no low- or moderate-income census tracts or BNAs in the bank's assessment area; therefore, this criterion is not rated.

RESPONSE TO COMPLAINTS

No CRA-related complaints have been received since the previous examination.